

February 25th, 2002

Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

DOCKET FILE COPY ORIGINAL

RE: CC Docket Nos. 96-45 and 97-21

To Whom It May Concern:

Lone Wolf Public Schools ("Lone Wolf") (Entity Number 139939) is appealing the decision made by the Administrator of the Schools and Libraries Division of the Universal Service Administrative Company (Administrator) to deny funding for the following Funding Request Numbers (FRNs), all of which were submitted with 471 application number 242788:

FRN 593334

FRN 593359

All of the FRNs listed above were denied by the Administrator for the following reason: "Documentation provided demonstrates that price was not the primary factor in selecting this service provider's proposal."

Lone Wolf was asked by an SLD representative, Michael Duesinger, to provide: 1) Copies of all contracts awarded; 2) Copies of any bid sheets or Request for Proposals; 3) Copies of bids received; 4) Reasons for choosing the listed service providers on their 471 application; and 5) Documentation of Lone Wolf's ability to pay their non-discounted portion of services requested.

On December 6th, 2001, Lone Wolf sent their response to Mr. Duesinger. **The issue here is what "documentation provided" by Lone Wolf demonstrated that price was not the primary factor in choosing the proposals.**

Lone Wolf is very confused as to what documentation provided led the SLD to the conclusion that price was not the primary factor. The following information, all demonstrated within Lone Wolf's response to the Selective Review requested by Mr. Duesinger, proves that price was considered:

1. Lone Wolf received only one bid for Internet Access. Lone Wolf had no other price to "compare" against, and was not required to affirmatively solicit other bids beyond Lone Wolf's posting of the 470 Form.

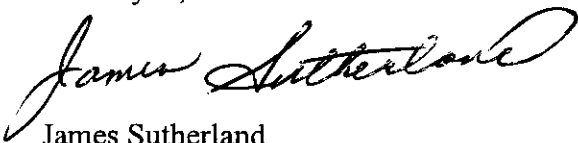
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2. Lone Wolf demonstrated their ability to pay their non-discounted portion of services requested. Consistent with the Commission's competitive bidding rules, the fact that Lone Wolf was willing to pay for their non-discounted portion proves that price was considered.
3. Lone Wolf specifically answers the SLD's charge, in their original response to Mr. Duesinger. In the cover letter to Mr. Duesinger dated December 6th, 2001, Superintendent James Sutherland states for item #4 "In the case of the internet provider it [the reason for selection for the service provider] was based on past service and reliability. State law does not require a school board to take the cheapest bid when accepting bids for services. Rather it can be what the School Board considers the best bid." **In answering the request for the selective review information, Mr. Sutherland specifically states that the combination of past service history and reliability outweigh any pricing considerations that the district had, making the awarded bid the best bid for the school district.**

It is our understanding that applicant's are not allowed to obtain clarification of the reason for denial by the SLD. Attempts were made (unsuccessfully) to talk to the reviewer who made the denial decision, there is no phone number or address to write to other than the customer service hotline. Attempts to gain clarification about the decision at the customer service hotline were futile. We attempted to call several times, and on each time a different operator told us that he or she did not make the decision, and could not provide more information other than the one-sentence explanation on the funding letter.) Aside from the fact that this is not a good way to conduct a review process, we ask that should the SLD bring forth new information, we be allowed the chance to address that information.

We ask that the Administrator's decision to deny funding for the above referenced FRNs be reversed, and that the application be remanded to the SLD for further processing.

Thank you,



James Sutherland
Superintendent
Lone Wolf Public Schools
PO Box 158
Lone Wolf, Oklahoma, 73655
(580) 846-5266

Attachment #1 Lone Wolf Public Schools

James Sutherland
Superintendent of Schools

John Uptergrove
Administrator Assistant

Larry Terry
Elementary Principal

580-846-9091
Fax: 580-846-5266
P.O. Box 158
Lone Wolf, Oklahoma 73655



December 6, 2001

USAC
Michael Deusinger
Fax 973-884-8066

Mr. Deusinger,

I am replying to your fax received December 4th, 2001:

Item #1 Contracts for services:

I am enclosing the only contract we have. The contract for Internet services supplied by Mastermind is enclosed. All other services requested for E-rate discounts are Tariff or month to month services that do not require a contract. Some of the services requested will not have contracts if we do not get funded by E-rate.

Item # 2 request for proposals:

The only request for proposals we posted were the ones posted on the web.

Item #3 copies of bids:

I am enclosing copies of bids received. In many instances only one bid was received because they were the only supplier for the product bid. Telephone services is supplied by Southwestern Bell to the local community. The DBS bid submitted by OTT is the only company that supplies equipment compatible with our existing phone system, the other option was to bid a complete phone system which is an unnecessary expenditure.

Item # 4

Service providers were selected based on their past performance, their ability to supply the product needed, ability to maintain equipment once installed, In the case of the internet provider it was based on past service and reliability. State law does not require a school board to take the cheapest bid when accepting bids for services. Rather it can be

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what the School Board considers the best bid. Most of our services were in place prior to submitting for E-rate discounts and these vendors were providing a quality service or we would not have been using them.

Item #5

There was no consulting contract with this application. It was filed in house.

Item # 6

I am enclosing copies of my blanket encumbrances that will be to the vendors currently providing services to our school. I am also enclosing a copy of our budget report showing that we have a sufficient carryover to pay our part of the e-rate obligation.. Our end of year carryover at the end of the 2001 school year was \$298,000 plus. I am also enclosing a copy of our budget which I will highlight the area that will have money budgeted for e-rate expenditures. The exact \$ are not broken out by item but are included in the non-categorical expenditure category.

If for some reason this is not enough documentation please contact me at 580-846-9091 so that we may discuss these items for any additional information you may need.

Sincerely ,



James Sutherland
Superintendent